



City of Richmond

Report to Committee


To: General Purposes Committee **Date:** May 2, 2018
From: Serena Lusk **File:** 06-2055-20-012/Vol 01
 General Manager, Community Services
 Jim V. Young, P. Eng.
 Senior Manager,
 Capital Buildings Project Development

Re: **Animal Shelter Guiding Principles, Program and Site**

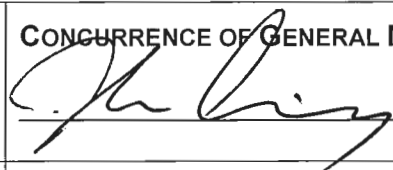

Staff Recommendation

1. That the Guiding Principles as described in the staff report titled "Animal Shelter Guiding Principles, Program and Site" dated May 2, 2018, from the General Manager, Community Services and the Senior Manager, Capital Buildings Project Development, be endorsed;
2. That the Program as described in the staff report titled "Animal Shelter Guiding Principles, Program and Site" dated May 2, 2018, from the General Manager, Community Services and the Senior Manager, Capital Buildings Project Development, be approved; and
3. That the Site as described in the staff report titled "Animal Shelter Guiding Principles, Program and Site" dated May 2, 2018, from the General Manager, Community Services and the Senior Manager, Capital Buildings Project Development, be approved.


 Serena Lusk
 General Manager,
 Community Services
 (604-233-3344)


 Jim V. Young, P. Eng.
 Senior Manager,
 Capital Buildings Project Development
 (604-247-4610)

Att. 1

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Community Bylaws	<input checked="" type="checkbox"/>	
Finance	<input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: WS	APPROVED BY CAO 

Staff Report

Origin

On December 12, 2016, Council approved the Advanced Planning and Design for Major Facilities Projects, including the Animal Shelter, subject to funding being approved as part of the 2017 Capital Budget. Capital funding in the amount of \$8.0M for the replacement Animal Shelter was approved on December 4, 2017, as part of the 2018 Capital Budget.

The purpose of this report is to seek endorsement of the Animal Shelter Guiding Principles that have been developed to guide and inform the project, to provide information on the development of the recommended program, and to seek approval for the program and site.

This report supports Council's 2014-2018 Term Goal #1: A Safe Community

Maintain emphasis on community safety to ensure Richmond continues to be a safe community

1.2 Program and service enhancements that improve community safety services in the City.

This report supports Council's 2014-2018 Term Goal #2: A Vibrant, Active and Connected City

Continue the development and implementation of an excellent and accessible system of programs, services, and public spaces that reflect Richmond's demographics, rich heritage, diverse needs, and unique opportunities, and that facilitate active, caring, and connected communities.

2.3 Outstanding places, programs and services that support active living, wellness and a sense of belonging.

This report supports Council's 2014-2018 Term Goal #6: Quality Infrastructure Networks

Continue diligence towards the development of infrastructure networks that are safe, sustainable, and address the challenges associated with aging systems, population growth, and environmental impact.

6.1 Safe and sustainable infrastructure.

6.2 Infrastructure is reflective of and keeping pace with community need.

Analysis

Background

The Richmond Animal Shelter is located at 12071 No. 5 Road. The single storey 4,580 square feet facility was built in 1978. The shelter accommodates over 800 animals annually, ranging from companion animals (such as dogs, cats, rabbits, small animals, and birds) to wildlife and small farm animals. Best practices in animal sheltering have advanced considerably over the past

40 years and are no longer being met by the existing infrastructure, which is at the end of its lifecycle and is due for replacement.

Animal Shelter Guiding Principles

The proposed Guiding Principles for this project were developed based on a review of best practices and trends in the design and operation of animal shelters. These Guiding Principles are identified below.

The new Animal Shelter will:

- Be designed to ensure efficient and effective operations and delivery of services;
- Include design measures to reduce animal stress and promote animal welfare and health;
- Incorporate best practices and industry standards in the care of animals;
- Provide appropriate spaces for adoption activities;
- Provide adequate spaces to effectively manage disease control;
- Provide safe and appropriate spaces for staff and volunteer operations;
- Provide safe spaces for interaction between the staff and animals, between the staff and the public, and between the public and animals; and
- Be designed to integrate sustainable practices and accommodate future growth.

The Animal Shelter Guiding Principles are intended to provide overall direction in the program development, facility design, and eventually the operation of the facility.

Program Development Process

The proposed program for the new Animal Shelter was developed through a review of industry guidelines and best practices, visits to regional animal shelters, and consultation with key stakeholders. The stakeholders that were consulted include the Regional Animal Protection Society (RAPS), which operates the Animal Shelter as a contractor of the City, and the BC Society for the Prevention of Cruelty to Animals (BCSPCA), which operates 29 shelters across the province.

The *Canadian Standards of Care in Animal Shelters*, published by the Canadian Advisory Council on National Shelter Standards, is a guiding document which also informed the proposed program.

Program Plan – Base Level

The outcome of the program development process is an animal shelter program that incorporates science, best practice, and industry standards in supporting the well-being of animals.

A review of best practices in animal care and protection confirmed that services provided through the animal shelter should include:

- Surrender and adoption of dogs, cats, and small animals;
- Pick-up, transfer and/or impoundment of stray or dangerous animals;

- Removal and disposal of dead animals; and
- Animal control bylaw enforcement.

Although these services are currently offered at the existing facility, the spaces associated with each service need to be enhanced and modernized to meet industry standards.

The proposed building program was developed in consultation with RAPS and the BCSPCA, and can be divided into two categories:

1. Animal program; and
2. Administrative and operational spaces.

The proposed program includes the following base level spaces:

- Animal intake room;
- Dogs (kennels for adoption, quarantine, isolation, and impound);
- Cats (rooms for adoption, quarantine, isolation, and kittens);
- Small animals room (e.g., domestic birds, hamsters, ferrets, etc.);
- Space for rabbits;
- Outdoor dog runs;
- Outdoor fenced area with enclosure for farm animals (e.g., chickens, roosters, goats, etc.);
- Adoption room for visitors to interact with animals prior to adoption;
- Administration and animal control;
- Staff and volunteer room; and
- Storage, laundry, medical, and food preparation areas.

The service area for dogs includes separate spaces for adoptable dogs, isolation, quarantine, as well as kennels for impoundment. The service area for cats includes separate rooms for adoptable cats, kittens, isolation, and quarantine. To minimize stress on the animals, the cat and dog areas will follow best practice and be separate from each other. The rooms for rabbits and small animals are dedicated spaces, as these animals require separate housing for safety and disease control. An adoption room will allow individuals to interact with the animals they are looking to adopt in a quiet and contained area.

The program includes space for a fenced outdoor area, with a small enclosure for farm animals such as chickens and roosters, allowing for a suitable space which provides protection from the elements. On occasion, the existing animal shelter receives larger animals such as goats and sheep; farm homes are quickly found for these animals and they are transferred.

The proposed program allocation for administration and operations is designed to ensure safe, efficient, and effective delivery of services. The administrative offices will include work stations for staff and animal control officers. The staff and volunteer room will provide areas for briefings, meals in a safe and clean environment, and storage of belongings.

Program Plan – Additional Spaces

In addition to the base level spaces listed above, the following additional spaces could potentially be included in a new facility, should the capital budget allow. At this time, preliminary concept work suggests that the available funding will not provide for these spaces to be included in the design and construction. However, as the design advances, it may be possible that efficiencies and/or opportunities to reapportion space are found so that some or all of the following spaces could be included while remaining within the capital budget:

- Multipurpose room; and
- Wildlife temporary holding room.

A multipurpose space is a common feature in modern shelters, allowing for the provision of education programs, volunteer training, and meetings. The provision of a small indoor space for injured wildlife (e.g., raccoons, birds, etc.) allows shelter staff to temporarily treat and hold them before they are picked up and transferred to agencies such as Wildlife Rescue or Critter Care.

Service Levels

Following the identification of the program areas as outlined above, staff have reviewed the current service levels and are recommending the following program allocation and service levels for animals as indicated below in Table 1:

Table 1 – Program allocation and service levels for animals

Animal Type	Current Facility Program Allocation	Current Daily Service Levels	Recommended Program Allocation
Dogs	16	8-12	13-17
Cats	40	30-40	40-45
Rabbits	0	6-8	6-8
Small animals	0	8-10	8-10
Farm animals (e.g. chickens, roosters)	0	15-20 per year	Outdoor fenced area with enclosure

The recommended program allocation provides similar service levels as the existing shelter and is achievable within the approved capital budget and meets current needs. Should it be required in the future, the site can accommodate expansion of the facility.

Incinerator

The existing facility has an incinerator on site which is used for the cremation of animals that pass away in the shelter, and for the disposal of animal remains brought in by City or shelter staff. Most animal shelters do not have on-site incinerators due to the high cost to purchase, install, and maintain, as well as health and safety factors involved with their operation. All other shelters in Metro Vancouver contract out the disposal of animal remains to specialized service providers.

The preliminary estimated cost to add an incinerator to the new animal shelter is \$325,000. Maintenance costs are projected to be approximately \$4,000 per year. Additional operational considerations are staff time and cost of utilities. The absence of an incinerator in the new facility would necessitate an increase to the operating budget for the animal shelter. It is projected that \$4,000 per year would be required to contract out the disposal of animal remains to a specialized service provider.

Given that contracting out the disposal of animal remains is cost-effective, and that there are higher priority spaces to be included in the new facility if efficiencies can be achieved, an incinerator is not being recommended for the new animal shelter.

Site

The existing site continues to be well-suited for the purposes of a new animal shelter as it:

- is City-owned;
- has minimal site servicing costs;
- poses no land use or zoning challenges;
- is familiar to current users;
- has access to dog walking routes; and
- is accessible by public transit.

Staff recommend that a new animal shelter be built on the existing site. The construction strategy will entail keeping the existing shelter in operation while a new one is built at the east end of the site. Staff have conducted a high level constructability analysis of the site, the preliminary findings of which indicate that a sufficiently wide driveway can be made available from No. 5 Road for access to the facility during the construction period. This driveway will be shared at times with construction crews, following all the necessary safety measures.

The construction period is projected to be 20-24 months. Upon completion of the new facility, the existing shelter will be demolished and the space will be available for outdoor program opportunities.

Ancillary Services

The City received a request from RAPS for the provision of an animal hospital to be co-located with the new animal shelter (Attachment 1). An animal hospital is not a city service nor is it within the project scope or budget. Consideration of this request will require direction to staff from Council.

Next Steps

Should Council endorse the guiding principles, program, and site, the next step is to develop an early concept design for the new animal shelter, including concept level costing, which would be presented for Council consideration in Summer 2018. Staff will bring forward the estimated Operating Budget Impact (OBI) for operation of the shelter in a future report, once the design is more advanced.

Financial Impact

The costs associated in proceeding with the concept design will be funded by the previously approved 2017 Capital Budget for Advanced Planning and Design for Major Facilities Projects.

The current operating budget for the existing animal shelter is \$722,700, which includes both facility services and contracted services. It is anticipated that there will be an increased OBI for the new shelter, which will be brought forward in a future report.

Conclusion

The new animal shelter will be a modern facility designed to ensure efficient and effective delivery of services. The Animal Shelter Guiding Principles reflect the City's commitment to the health and welfare of animals in its care. The proposed program reflects current best practices, research, and industry standards in shelter design and operation. The existing site continues to be well-suited for the purposes of a new animal shelter.



Paul Brar
Manager, Parks Programs
(604-244-1275)



Doru Lazar, MBA, P.Eng., PMP
Senior Project Manager
(604-204-8695)

Att. 1: Letter from RAPS



RAPS | Regional Animal
Protection Society
Regional Animal Protection Society (RAPS)
 Suite 201, 13340 Smallwood Place,
 Richmond, BC, V6V 1W8
When you give... They live!®

April 19, 2018

Attention: Paul Brar, Manager, Parks Programs

Re: Business case for incorporating the RAPS Animal Hospital into the new City of Richmond Animal Shelter

The Regional Animal Protection Society is honoured and privileged to be included in the planning process for the new City of Richmond Animal Shelter. Everything we do is with the intention of improving the lives of animals in our community. We know that animals make our lives, families, neighbourhoods and communities happier, healthier and safer. We feel extremely fortunate to have a partner like the City of Richmond that shares this community vision.

RAPS Animal Hospital is the first and only not-for-profit animal hospital in Richmond. While the RAPS Animal Hospital provides efficient and effective healthcare for Richmond Shelter animals, the hospital generates revenue from private clients from all over Metro Vancouver, revenue from which subsidizes the care of animals at the Richmond Animal Shelter, reducing the burden on Richmond taxpayers.

RAPS is requesting a 3,000 sq ft facility for an animal hospital to accommodate all requirements.

Cost of healthcare to City	\$150,000/yr expected to rise to \$200,000/yr
Hospital Equipment – RAPS to supply	\$750,000 value

Annual cost of healthcare for animals at City Shelter is approximately \$150,000

2015 - \$151,000
 2016 – \$133,145 (onsite vet led to reduced costs)
 2017 – \$148,000 (onsite vet led to reduced costs)

The cost of City of Richmond Animal Shelter healthcare will continue to rise because:

- The cost of living in Metro Vancouver leads to inflation in the cost of veterinary services

- Human population increases in Richmond means more animals and, consequently, more cases of surrender, abandonment or households where animal owners die, move to care facilities, face incarceration, fail to claim abandoned pets or any of the range of reasons animals come into RAPS' care.
- More people are surrendering animals due to veterinary costs
- Unaffordability is leading people to abandon or surrender their animals
- Richmond residents with emergency healthcare needs (example: dog hit by car), who cannot afford the cost for surgery, are being told by local vets to surrender their animals to RAPS, a no-kill organization, knowing RAPS will send the animal back to local vets to pay for the surgery. This is expensive and financially non-recoverable by RAPS.
- People are surrendering animals when moving because of the unavailability of pet-friendly rental accommodation
- More animals are being surrendered because of relationship breakdowns, allergies, new babies or because owners are relocating to Asia
- People are adopting animals from other jurisdictions

Healthcare cost for animals (Examples):

- Average exam fee is \$100
- Average dental/extraction ranges between \$800 and \$2,500
- Major surgery ranges between \$2,500 and \$5,000
- These costs are approximately 50% less with RAPS Animal Hospital

The case for a RAPS Animal Hospital at the City Shelter are:

- **Accessibility issues** – many vets turn RAPS away because they are already busy. Many City of Richmond Animal Shelter resident animals are taken to Surrey for treatment – a one-hour drive, causing 2-3 hours per day staff time. There will be no accessibility issues for animals at a RAPS Animal Hospital.
- **Staffing** – RAPS staff accompany Shelter animals through the hospital experience, savings costs.
- **Volunteers** – RAPS volunteers provide staffing to Shelter animals, savings costs. In addition, volunteers at the City Shelter can offset costs at the RAPS Animal Hospital by providing services that would otherwise be provided at retail cost.
- **Materials** – sharing of resources between the hospital and Shelter results in across-the-board efficiencies.
- **No overnight costs** at hospital for RAPS Shelters Animals.
- **Availability** to treat 10-20 animals at once as opposed to 1-2 per day.
- **Speed of care** – animals provided medical care in a timely manner so they can find their forever homes in a more timely fashion.
- **Mobility** - Easier to move animals through Shelter more quickly
 - Timely exams and spay/neuter procedures
 - Quicker emergency services
 - Less travel time

- More revenue and lower cost to Shelter
- **Affordability** – each medical exam by an outside vet costs RAPS significantly. RAPS Animal Hospital can treat animals in the shelter without the cost of having them transported.
- **Treating Shelter Animals on-site** – RAPS vets can, between appointments, can visit the Shelter and examine 10 animals in an hour, with all diagnostic machines/equipment on site, without any additional cost to Shelter operations. This can potentially save thousands of dollars in unnecessary treatments at external vets.
- As a not-for-profit, RAPS solicits donations from the public for the animal hospital and medical treatment of animals (especially from animal suppliers).
- RAPS can provide more community assistance programs on-site at the Shelter.

A study by economists Liran Einav, Amy Finklestein and Atul Gupta reports that, between 1996 and 2012, spending on healthcare for pets rose faster than it did for humans, by over 60%. If these trends are correct, the cost of City Shelter healthcare in the next decade is estimated (at a 50% increase for services) at around \$200,000 per year, based on 2017 Richmond shelter animal intake numbers. However, we believe the animal intake numbers will continue to grow annually based on the expansion and densification of Richmond.

Benefits to City of Richmond of RAPS Animal Shelter:

1. Providing animal healthcare at lower costs for City Shelter animals.
2. Synergies of operations providing

REPORT: Business case for incorporating the RAPS Animal Hospital into the new City of Richmond Animal Shelter

The RAPS Animal Hospital opened on February 12, 2018 — Family Day in British Columbia! This \$1 million project was completed at no cost or risk to the City of Richmond. All risk and expense is borne by the Regional Animal Protection Society. Through corporate partnerships — most notably, the contribution of 6,000 square feet of ideal space in the Richmond Auto Mall, provided by Applewood Auto Group — we have been able to create a state-of-the-art, not-for-profit animal hospital.

The intention is not only to eliminate the hundreds of thousands of dollars RAPS spends annually on external veterinary expenses, but also to provide services to the general public, which in turn will allow us to do more of what we do best: saving and improving the lives of animals in this community.

It was a socially entrepreneurial vision that drove our staff and Board of Directors to undertake this project and complete it in barely a year. Some people had suggested that we should wait and work with the City to incorporate a veterinary hospital into the new City Shelter. We looked at our annual veterinary expenses and decided to take an approach that was win-win. In designing and constructing the new RAPS Animal Hospital, every component was selected based on its transferability and modularity, with the explicit intention that this veterinary facility would be relocated into the new, purpose-built City Shelter. That is our hope.

The case for including the hospital within the construction plans of the new Shelter are both practical and economic.

The creation of an in-agency veterinary hospital will eliminate our third-party veterinary expenses and create revenue that allows us to expand services to more people in Richmond, enriching the quality of service to Richmond residents.

RAPS Animal Hospital will treat more animals in the community by assisting the companion animals of people with low incomes and helping other animal organizations. Significantly, we will be able to combine best business practices with the compassionate kindness for which RAPS is known, while modeling social enterprise as the future for no-kill animal care.

For a quarter century, the Richmond Animal Protection Society (started as Richmond Homeless Cats and now rebranded as the Regional Animal Protection Society) has strived to help the companion animals of Richmond by providing food, shelter and veterinary care, including spaying and neutering. No other animal organization has invested more resources for the care of domestic animals in Richmond than RAPS.

RAPS endeavours to place adoptable animals in suitable homes, to raise public awareness of the importance of spaying and neutering, and to help with access to low-cost veterinary care. We promote, encourage, develop and deliver educational programs around the care and humane treatment of animals, and we establish and operate facilities for the reception and care of companion animals, particularly feral, stray, seized or unwanted animals.

Similar to the City of Richmond working with local groups to address homelessness, affordable housing, access to food, first responder care and safety for vulnerable peoples and those with low incomes in the City of Richmond, RAPS does similar work for the same demographic needing assistance with animal welfare and veterinary healthcare.

Many of the animals in our care have found themselves homeless after enduring heartbreaking cruelty or abuse or, after years of living in a loving home, find themselves surrendered when a human companion dies or is no longer able to provide them with necessary care. RAPS provides a second chance for all animals to receive not just the personal and healthcare care they need and deserve, but the love and affection that they require to regain their strength, resiliency and ability to heal.

RAPS has had a no-kill philosophy since it was initiated more than two decades ago. In 1999, the RAPS Cat Sanctuary was constructed, providing a place where feline residents of Richmond and, indeed, many places in Metro Vancouver, live out their natural lives in a haven of comfort and caring. Contrary to some perceptions, the cost of operating a no-kill animal facility does not significantly impact budgets and could even have a net financial benefit.

RAPS has developed relationships with suppliers, philanthropists and individual donors, as well as – crucially – hundreds of volunteers. These relationships, which are key to the success of every aspect of our operations, allow RAPS to deliver the huge range of services to the animals and people of Richmond (and, in many cases, beyond) at an extraordinarily competitive cost per animal. The board and staff of RAPS are extremely proud of the high quality of service we provide, combined with individualized compassionate care, on very modest budgets.

The Challenge:

While our staff, board and volunteers are constantly identifying opportunities to advance our mission while reducing costs, there is one area that remains out of synch with our successful fiscal discipline. In the past number of years, about \$600,000 has been spent on veterinary care, representing 33% of our total annual expenses. There is no reasonable expectation that this number will decline and, indeed, it is prudent to assume that it will increase over time.

These bills include health services and medications and are affected by the number of animals in our care, which increases annually. There is, of course, no alternative for the welfare of the animals in our care than to have them seen regularly by a veterinarian, so this is a budget line that can be reduced only through a single, major initiative.

According to research done by RateSupermarket.ca, the cost of a pet in its first 12 months is **\$2,600.10 for a puppy** and **\$1,921.12 for a kitten**. The bulk of the costs to care for a puppy or kitten come from first-time essential purchases, such as a bed, bowls, a collar, a leash, a carrier and a kennel. Veterinary costs, while significant initially, may also dip over the years, considering certain one-time procedures, like spaying or neutering and implanting an identification microchip. Ongoing expenses, of course, include food and litter as well an annually-renewable license required by most municipalities.

The SPCA, in the United States, assesses these costs more conservatively than RateSupermarket.ca, as the graph below indicates.

Costs	Notes	Small Dog	Medium Dog	Large Dog	Cat	Rabbit	Guinea Pig	Small Mammal	Small Bird	Fish
Annual Costs										
Food	1	\$55	\$120	\$235	\$115	\$190	\$105	\$50	\$75	\$20
Recurring Medical	2	\$210	\$235	\$260	\$160	\$70	\$70		\$85	
Litter	3				\$165	\$415	\$415	\$210		
Toys/Treats		\$40	\$55	\$75	\$25	\$40	\$30	\$25	\$25	
License		\$15	\$15	\$15						
Health Insurance	4	\$225	\$225	\$225	\$175					
Misc		\$35	\$45	\$65	\$30	\$15	\$15	\$15	\$15	\$15
Annual Total		\$580	\$695	\$875	\$670	\$730	\$635	\$300	\$200	\$35
Capital Costs										
Spay/Neuter		\$190	\$200	\$220	\$145	\$160				
Other Initial medical	5	\$70	\$70	\$70	\$130					
Collar/Leash		\$25	\$30	\$35	\$10					
Litter Box					\$25	\$25				
Scratching Post					\$15					
Cage						\$100	\$70	\$40	\$70	
Carrier Bag		\$40	\$60		\$40	\$40				
Crate		\$35	\$95	\$125						
Aquarium Eqpt.	6									\$200
Training Class		\$110	\$110	\$110						
Capital Total		\$470	\$565	\$560	\$365	\$325	\$70	\$40	\$70	\$200
Special Costs										
Long Hair Groom		\$264	\$320	\$408						
First Year Total		\$1,314	\$1,580	\$1,843	\$1,035	\$1,055	\$705	\$340	\$270	\$235

1. Premium brand dry kibble
2. Exam, vaccinations, heartworm preventative & topical flea/tick preventative
3. Scoopable litter for cats, scooped daily; hardwood shavings or recycled paper products for rabbits, guinea pigs and small mammals, changed at least weekly
4. Insurance coverage varies: some policies cover spay/neuter, vaccinations and heartworm medication. The annual deductible will also vary depending on the policy.
5. Deworming, basic blood tests & microchip
6. Basic twenty gallon set up with light/hood, outside filter, undergravel filters, air pump and gravel. Does not include fish.

When you add in the cost of surgery for important procedures for injured or diagnosed ailments for animals, the cost of healthcare soars for Richmond residents.

Examples

RAPS was able to save the life of Euro, a shepherd-cross who had been hit by a car. The family was quoted by private veterinarians \$5,000 for animal healthcare requirements, including surgery. The family could not afford the health bills. As a result, the family surrendered Euro to RAPS. Prior to owning the RAPS Animal Hospital, RAPS also would have been hard pressed to afford this surgery, but would have saved Euro regardless. Euro's leg had to be amputated ... but her life was saved! In many jurisdictions, she would have been euthanized. But RAPS has made a no-kill promise to the animals.

In another case, a Richmond family member accidentally stepped on their eight-month-old kitten, called Frank, and broke his femur. They were quoted \$4,000 in orthopedic surgery expenses to save the cat. The cost would have been \$1,500 if the leg were simply amputated. The family could not afford either cost. The family reached out to various veterinarians in Richmond and none of them was willing to assist in providing subsidized healthcare that the family could afford to save the kitten. As a result, the kitten was surrendered to RAPS and, rather than amputating the leg, RAPS' in-house orthopedic surgeon inserted pins and saved the cat.

It has become a common phenomenon over the years that people who cannot afford medical care for their animals, especially in emergency cases, are referred by their vets to surrender the animal to RAPS because RAPS will allocate the required resources to save the animals' lives. The vets would rely on RAPS to bring the animal back to local veterinarians for the required care and pay for the bill. With the opening of the RAPS Animal Hospital, this has stopped.

Cost of Living

The cost of living and housing in Richmond has become more challenging for people. It is even more challenging for people with companion animals. Canadianveterinarians.net, in 2017, provided statistics related to pet ownership in Canada (<https://www.canadianveterinarians.net/documents/canadian-pet-population-figures-cahi-2017>). Here is what it said:

“Over the last ten years cat and dog [ownership] has increased by about 10%. Overall approximately 41% of Canadian households include at least one dog, and similarly around 37% include at least one cat.”

RAPS' experience is that cat households tend to include at least two cats. Nonetheless, the cost of owning an animal in addition to the routine costs of living and housing for the average family in Richmond has become more challenging and we, at RAPS, expect that more and more animals will be surrendered or abandoned due these financial hardships. Factors related to increase number of animals being surrendered to the City Animal Shelter are due to:

1. More people surrendering animals in older age due to increased cost of healthcare;
2. The rise in cost of living causing private vet clinics to raise costs (similar to all other consumable goods and services across all industries), so people can no longer afford for the care of their animal(s);

3. Inability to find pet-friendly housing options;
4. People moving back to Asia;
5. Increase in the onset of allergies among people in a household, forcing them to surrender an animal;
6. Marriage or relationship breakdowns;
7. People simply not claiming stray animals;
8. People surrendering injured or ill animals because they cannot afford the healthcare costs;
9. As Richmond densifies, the number of animals in private homes increases, but so do accidental injuries, causing more people to surrender animals to RAPS because they cannot or will not pay for the healthcare costs;
10. More stray animals (example: feral cats);
11. More animals being let loose and abandoned on Richmond streets rather than being properly surrendered to the Animal Shelter.

These are only some of the reasons the cost of animal healthcare, and veterinary expenses for the Richmond Animal Shelter, increases annually.

In 2017, the City contract paid RAPS \$611,233. The expenses for running the city Animal Shelter were \$823,733. When you add in all fees and fundraising, RAPS realized a \$26,000 surplus – but this was an anomaly due to a one-time retroactive contract funding from the City of Richmond and that RAPS raised \$70,000 in donations. City Shelter veterinary care was about \$150,000 in 2017. A few additional surgical emergencies and a simple increase in 10%-20% of animals in RAPS' care (and if RAPS had not provided cash fundraising), the Richmond Animal Shelter would have been in dire financial deficits.

All animal shelters provide healthcare for their animals upon surrender and prior to adoption. These costs vary depending on the health and condition of the animal. An abused or neglected animal will cost far more than a well-cared for animal.

Number of animals that RAPS takes in annually, on average, to the City Shelter requiring medical intake procedures is one thousand (mostly dogs and cats).

Some medical procedure costs:

Example: Dental treatment costs between \$500 and \$2,500

Major surgery costs between \$2,000 and \$6,000

The cost of healthcare for animals annually at the Richmond Animal Shelter varies. Each visit to an external veterinary facility costs anywhere from \$75 to \$200 for an exam. If outside private vets are used, and RAPS has to send 10 animals in one day to the vets (most likely three to five different vet clinics), the cost is quite substantial because RAPS is charged for each animal. But also troubling are accessibility issues, where vets tell us they are booked for the day and refuse to take RAPS animals. Sometimes we are told the waiting list to get in is three to seven days. That causes a backlog and increases the cost of shelter operations for the care of these animals. And sometimes the health condition of the animals deteriorates, increasing the healthcare cost of these animals.

With a RAPS Animal Hospital now in operation, accessibility is never a factor. And since operational overhead is a set expense, it does not matter whether RAPS sends one or 10 animals in one day to the Hospital. The cost of operations remains the same (except for some minor charges for consumable products). It costs close to the same amount per day for RAPS to treat one or 10 animals (based on cost of regular exams). By having the RAPS Animal Hospital conveniently available at all times, RAPS saves a great amount of time in the logistics of arranging appointments and the transportation of animals, which is an enormous allocation of staff time. For example, when Richmond vets refuse to take RAPS

animals, RAPS sends them to Fraser Heights Animal Hospital, which is approximately a one-hour drive each way each day.

That is a primary reason why a RAPS Animal Hospital, connected to the Richmond Animal Shelter, is important. The synergies in savings for the City of Richmond are considerable. These are just some examples of the financial, logistical and social reasons why a RAPS Animal Hospital, connected to the City Animal Shelter, makes financial and political sense for the City of Richmond.

Community Relations

RAPS Animal Hospital is using the expertise of veterinary staff, as well as other staff and volunteers, to provide community programming, as well as enriching our already impressive online and hard-copy resources. These programs are supported by external grants from foundations. Most importantly, these programs will position RAPS as a leader in our industry and attract thousands of new Hospital clients and volunteers to RAPS annually. Areas of possible programming include:

- Subsidized or free veterinary care for animals in households with low incomes
- Pet Food Bank for households with low incomes
- Hotline for pet emergencies
- Integrating a new companion animal into your family
- Behaviour and obedience classes
- Caring for geriatric pets
- Weight management and general health routines
- Internships for vets-in-training
- Boarding programs for cats and dogs
- Advocacy for pet-friendly housing

Having a veterinary hospital within the City Shelter will be in the best interest of the health of the animals and will demonstrate Richmond's forward-thinking approach to animal care. Having a facility the quality of the RAPS Animal Hospital located within the City Shelter will be viewed throughout the province as an example of best practices in the sector.

RAPS Animal Hospital is the first not-for-profit animal hospital in Richmond. While the RAPS Animal Hospital provides efficient and effective healthcare for Richmond Shelter animals, the hospital generates revenue from private clients from all over Metro Vancouver, which subsidizes the cost of healthcare at the Richmond Animal Shelter for Richmond taxpayers.

There are also significant economic considerations.

First of all, all the equipment for the hospital, the training of staff, and every component that went into the creation of the hospital was borne by RAPS. We are offering to integrate this into the new City of Richmond Animal Shelter in return for nothing other than the infrastructural considerations required to accommodate the equipment and furnishings from the current location in the new Shelter.

In addition, please consider the following:

1. RAPS has a contract with the City for approximately \$640,000. That is the same amount that the SPCA bid for the project 10 years ago;

2. RAPS is committed to working with the City to save costs and keep the cost of the contract down;
3. RAPS' social enterprises benefit the taxpayers of Richmond because RAPS takes on risk at RAPS' expense that would otherwise be carried by residents and the City of Richmond.

For example, the following economies were made by RAPS, subsidizing operations of the City Shelter at no expense to the budget or the taxpayers of the City. RAPS runs the City Animal Shelter in partnership with the City of Richmond. But there are many revenue and expense variables that fall on RAPS as a liability if they are not realized and not on the City of Richmond (the way the current contract is structured).

Example:

1. IMPOUNDS – RAPS has to project the number of impounds it will realize annually and the revenue generated from reclaimed animals. RAPS was budgeted to generate \$35,000 in revenue, but actual revenue was \$27,782. RAPS subsidized this line item for \$7,218 at the organization's expense;
2. Adoptions were budgeted for the year as \$75,000 in revenue, but realized revenue was \$53,490. RAPS subsidized this line item for \$21,510 at the organization's expense;
3. General Shelter revenue was projected for the year at \$50,000, but actual revenue was \$31,051. RAPS subsidized this line item for \$18,949 at the organization's expense;
4. Animal veterinary healthcare came in \$148,737 but was budgeted for \$125,000. RAPS subsidized this line item for \$23,737 at the organization's expense.

In all, in 2017, RAPS subsidized City Shelter operations with \$ 71,414 in organizational funds. This is an example of the value RAPS brings to the City Shelter. (Please note that these numbers are all approximate. We are happy to review with the City final exact numbers. These are for example purposes only).

- With the not-for-profit RAPS Animal Hospital integrated into the City Shelter, we can project significant savings to this line item and to City of Richmond taxpayers;
- RAPS' contract amounts for veterinary healthcare will not increase because we will provide veterinary care costs in exchange for a long-term lease agreement. The City's financial responsibilities for Shelter animals will be reduced or maintained. We are happy to look at different scenarios where this type of arrangement can be made to benefit both parties;
- RAPS will provide all the veterinary hospital equipment, which RAPS owns;
- Many RAPS volunteers also volunteer their time at the RAPS Animal Hospital keeping staffing costs down.

In addition to these existing and potential savings to the City Shelter, the City of Richmond and taxpayers, please also consider the benefits RAPS has obtained through strategic partnerships, which are already delivering economies and improvements in service thanks to the RAPS Animal Hospital.

Rental value for long-term lease

Across the street from the RAPS Animal Hospital, in the office buildings in the vicinity of the Richmond Auto Mall, a 3,216 square-foot office is renting for \$5,936 per month and gross rent is \$22.15 per square foot (which includes all common area costs as well). Therefore, a 3,000-square-foot facility built by the

City for a RAPS Animal Hospital would equate to a value for lease of \$66,450 per annum. But RAPS will provide value of \$150,000 in veterinary care. That is a saving, in today's dollars, of \$83,550 to the City of Richmond each year, with an additional projected saving of 5% annually based on inflation.

Or RAPS could offset lease costs by simply charging a competitive rate to the City of Richmond for all animal healthcare costs.

RAPS can, if required, mortgage the cost of construction of the hospital component within the new City Shelter. For example, if the cost for incorporating were deemed to be \$1.5 million, RAPS could undertake a commitment for \$6,500 per month (at 3.3%) over the life of a 30-year lease, in lieu of rent and in exchange from the City of a 30-year lease. The mortgage would be renewed every five years based on competitive interest rates. RAPS providing medical care would offset payments.

Key Activities

The provision of veterinary care will be aided by synergies between this new hospital and existing RAPS services, facilities and personnel. The organization has years of experience in a range of animal care and control competencies, which will allow for a seamless integration of a veterinary medical component and reduce overhead costs that would be ordinarily associated with a new hospital. Among these existing strengths are:

Facility and facility management – RAPS currently operates the City of Richmond Animal Shelter and the independently run Cat Sanctuary. We have more than two decades of institutional expertise at operating facilities of this nature.

Public awareness – RAPS is an admired community-based institution. We have a database of 21,000 supporters, hundreds of devoted volunteers and a history of grassroots mobilization. As a no-kill organization, RAPS has built strong, dedicated goodwill and public awareness in Richmond and beyond.

Reception – We have been a public-facing organization since we began, welcoming animals and people with professionalism and caring. Our standards of service, for both human and animal clientele, are superb, a skill that will be mobilized as we advance into this important new phase of operations delivery.

Publicity, promotion and marketing – RAPS has assembled an impressive array of expertise among volunteers, staff and board members that we mobilize to get the admirable story of RAPS – and our animals – to the world. We are undertaking a massive community outreach program as part of a larger professionalization of our operations and streamlining every aspect of our communications and PR strategies. This advance work is especially necessary as we prepare to introduce veterinary care to our range of services. RAPS intends to attract a minimum 2,000 private clients registered with the Hospital annually.

Client relationship management – Over years of service, RAPS has succeeded in developing powerful relationships with individuals, families, organizations and businesses. The foundation of our organizational success is relationships and we have adopted the best-in-industry software for animal shelter management. On the foundation of this history, we will build a CRM regimen that leverages our broadened range of services to meet each client's needs.

Human resources management – RAPS successfully manages dozens of staff and hundreds of volunteers. Rather than instituting new HR systems that would be required in normal circumstances for a new initiative, staff at the RAPS Animal Hospital are integrated into the existing, successful human resources systems the organization has built over years.

By incorporating the RAPS Animal Hospital as an additional project to the \$8 million new animal shelter, the City of Richmond can maximize service delivery while minimizing expenses through economies of scale and the incorporation of already existing, state-of-the-art veterinary facilities. We believe that the model we are proposing, in which the City of Richmond partners with innovative social enterprises, which are bettering Richmond society and the welfare of its citizens, is the route the City of Richmond should take.

Government should support well-run and innovative social enterprises that solve important social and economic issues for its citizens at no cost to taxpayers. That benefits everyone involved.

The RAPS proposal is no doubt a change from the City of Richmond’s regular practices. Nonetheless, we believe the City of Richmond should base its decision on the merits of this initiative because of the strong economic and social returns for the City of Richmond.

We are confident that it is in the practical and economic best interest of the City of Richmond, the new City Shelter, the well-being of animals and the taxpayers of Richmond that, in the process of constructing the new Animal Shelter, the RAPS Animal Hospital be incorporated into the project.

We look forward to discussing this with you further and to working collegially with you to this end.

Sincerely,

Eyal Lichtmann,
CEO & Executive Director